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SUBJECT: PORTUGAL ENVIRONMENT OVERVIEW: MANY POSITIVE STEPS

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SUMMARY AND COMMENT

1. Portugal's environmental programs, managed by the Government of Portugal Environment Agency, have produced impressive results in recent years. Ambitious renewable energy programs should enable Portugal to meet targets for greenhouse gas emissions under the Kyoto Protocol. Air and water quality are improving, and water treatment services are covering an increasing majority of the population. Comprehensive waste management guidelines are increasing rates of recycling/reuse and decreasing the generation of industrial waste, although its disposal through co-incineration remains a contentious issue. Conservation and forest management plans are helping to ensure effective stewardship of Portugal's biodiversity, but forest fires and the pinewood nematode continue to threaten important forestry resources.

2. Comment: Portugal has a robust environmental management program, and despite limited resources, its agencies are producing results. While climate change continues to be the centerpiece of environmental and sustainable development in Portugal, other more mundane initiatives such as recycling are not being neglected and continue to improve the overall environmental outlook in Portugal. End summary and comment.

PORTUGUESE ENVIRONMENT AGENCY

3. The Portugal Environment Agency, APA, a component of the Ministry of Environment, has responsibility for the GOP's environmental and sustainable development policies. APA authority covers many aspects of Portugal's National Program for Climate Change (NPAC) as well as air and water quality, waste management, and nature and biodiversity. The APA oversees environmental assessments of major construction projects, coordinates with nongovernmental and international environmental organizations, and promotes environmental awareness through educational programs and environmental campaigns.

CLIMATE CHANGE

4. Climate change has dominated the Portuguese environmental scene since EU ratification of the Kyoto Protocol in 2002. The EU Agreement for Sharing of Responsibilities under Kyoto established that Portugal should limit the growth of greenhouse gas (GHG) emissions to 27 percent above 1990 levels, which equates to a total increase of 382 million tons of CO2-equivalent (Mt CO2e) during 2008-2012, an annual average of 76.39 Mt CO2e.

5. Portugal's key tools to meet its climate change targets

are: (i) the National Program for Climate Change (PNAC), which defines the national monitoring strategy and emissions reduction by different sectors; (ii) the National Plan of Allocation (NAP), which outlines implementation in Portugal of the European Emissions Trading Scheme (EU ETS); and (iii) the Portuguese Carbon Fund, which plans for development activities to obtain credits for GHG emissions, including investment in flexible mechanisms established under the Kyoto Protocol.

¶6. In 2007 the GOP increased the targets in the PNAC based on more ambitious measures in the energy supply sector and increased use of biofuels in the transportation industry. The additional measures of "New Goals 2007" have the potential to reduce GHG emissions by 5.25 Mt CO₂e per year, almost 9 percent of the 1990 base level of 59.3 Mt CO₂e, through an increase from 39 percent to 45 percent in electricity generation from renewable sources, expansion of natural gas-fired electricity generation, and replacing 5 to 10 percent of coal with biomass to fuel two coal-fired power plants (Central Sines and Pego.)

¶7. Francisco Ferreira, head of Quercus, a major Portuguese environmental NGO, told us there is strong public support for renewable energy initiatives in Portugal, but his group recommends the GOP invest more in energy efficiency measures instead of large, costly renewable energy projects such as dams. Ferreira said Quercus does not oppose all new dam construction, but says marginal projects like the Sabor dam in northern Portugal, which will meet less than 1 percent of the national electricity demand, are not worth the environmental cost. A comparable investment in energy efficiency, such as rehabilitating existing buildings or expanding public transportation, would save much more energy than Sabor will produce, would create additional jobs, and

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benefit the environment more, claimed Ferreira.

¶8. Fausto Brito e Abreu, an advisor for climate change at the Ministry of Environment, told us that 2006 and 2007 national emissions of greenhouse gases, excluding emissions and removals from forests and changes in land use, were 38 percent and 32 percent above values of 1990, respectively, in other words about 11 percent and 5 percent above Portugal's Kyoto target. Given this trend and future planned measures, Brito e Abreu opines that Portugal will meet its Kyoto Protocol targets.

AIR QUALITY

¶9. Overall air quality in Portugal is good. Air pollutants are primarily caused by industry, transport, and agriculture. Air quality monitoring focuses on the levels of nitrogen dioxide (NO₂), ozone, acidification and eutrophication agents (potentially causing acid rain, reduced water quality, and oxygen depletion in bodies of water), and inhalable particulates.

¶10. Primary sources of NO₂ are road transport, power plants, heavy industry and the burning of biomass. The annual average concentration for NO₂ remains within acceptable levels but is increasing. In 2007 the only measurement exceeding acceptable levels was at Entrecampos, a high traffic area in central Lisbon.

¶11. Ground level ozone pollution usually occurs in the summer, with sunny days, high temperatures, and light winds - conditions that occur frequently during summer months in Portugal. Incidences of harmful levels of ground level ozone vary from year to year with changing weather conditions. For example, in 2007, one of the wettest years this century, there were only 20 days exceeding acceptable ozone levels, less than half the number observed in most preceding years. By contrast, there were 69 days with dangerous levels in 2005, an extremely hot and dry year. The annual average

concentrations have remained relatively stable.

¶12. Acidifying and eutrophying pollutants may affect land use and influence development of certain species of plants and animals. Gases that contribute to acidification and eutrophication are sulfur dioxide (SO₂), nitrogen oxides (NO_x), and ammonia (NH₃), and therefore emission levels of these gases are used as indicators to assess the evolution of these phenomena. Between 1990 and 2006 the emissions of these substances had decreased 21 percent, largely attributable to mandatory use of low-sulfur fuels beginning in 2003. Portugal has made impressive progress in reducing these pollutants and by 2006 had already attained 2010 target reductions.

¶13. Air pollution caused by inhalable particulates, sized at 10 microns or less (PM₁₀), represents the highest air pollution risk to public health. In Portugal, annual PM₁₀ concentrations have been on a downward trend. Since 2000, only in 2001 did the annual average concentration exceed the acceptable level of 40 micrograms per cubic meter (mg/m³).

WATER QUALITY

¶14. Portugal has a goal of providing 90 percent of the population with treated water, and although this goal has been reached in some areas, for much of the country coverage rates are lower. Water treatment continues to expand, reaching 70 percent of the population of continental Portugal in 2006, a 3 percent increase from 2005. In the Portuguese islands of the Azores and Madeira, water treatment services were provided to 75 percent and 90 percent of the population, respectively.

¶15. Surface water quality is improving. In 2007 the surface water quality ranking "Good" or "Excellent" rose to 26 percent, up from 21 percent in 2006 and 14 percent in 2005, while "Bad" or "Very Poor" results were found for 36 percent of tested sites, down from 39 percent in 2006 and 38 percent in 2005. The primary factors for surface water contamination are nutrient enrichment, especially nitrogen and phosphate, from the use of fertilizers in agriculture, and urban sewage discharges. The highest incidence of poor water quality continues to be found in rural systems supplying fewer than 5,000 inhabitants.

¶16. Bathing water quality at beaches and in rivers is monitored annually due to its impact on tourism and as an indicator of overall environmental quality. In the 2007 bathing season (June 1 through September 30) over 94 percent

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of areas tested were acceptable, but 5 percent failed to meet minimum standards and bathing was banned in 0.5 percent of them. The tourist destination regions of the Algarve and Lisbon and the nearby Tagus Valley had the best results.

¶17. There is a high volume of maritime traffic in areas under Portuguese jurisdiction, and vessel accidents resulting in pollution are a concern. Since the 1990 total of 130 polluting incidents, the number of incidents has been steadily dropping, with only 25 incidents in 2007. This reduction is largely credited to increased vigilance, incident supervision, and expanded technical capabilities, including the "Clean Sea Net," which provides satellite images to locate incidents of marine pollution and expeditiously mitigate their effects.

WASTE DISPOSAL

¶18. Between 1995 and 2006 production of municipal waste in Portugal increased by about 29 percent, matching the gross domestic product (GDP) increase over the same period. In 2006 4.6 million metric tons of municipal waste were collected. This equates to roughly 1.3 kilograms of waste produced per inhabitant per day, just below the EU average of

1.4 kilograms.

¶19. 56 percent of typical municipal waste in Portugal is biodegradable, underscoring the need to prioritize disposal through organic recycling, paper/cardboard recycling and incineration with energy recapture, instead of landfill disposal.

¶20. There has been a marked shift from waste disposal at uncovered landfills to the use of sanitary, covered disposal sites and recycling. In 1995, 73 percent of waste was deposited in open landfills, but by 2007 64 percent of waste was deposited in covered sanitary sites, with the other 36 percent disposed of through incineration with energy recovery (18 percent), organic recovery (11 percent) and collection for recycling (7 percent). Measures passed in 2002 impose phased reductions in landfill disposal of biodegradable waste; in 2009 no more than 50 percent of biodegradable waste may be disposed of in landfills, reducing to no more than 35 percent in 2016.

¶21. In 2005 the total production in Portugal of Industrial Waste (IR) was about 31 million tons, a 50 percent increase from 1998. Production of Hazardous Industrial Waste (RIP) increased 7 percent over the same period, reaching 2.6 million tons. A National Plan for the Prevention of Industrial Waste (PNAPRI) is being developed to reduce the quantity of this material, seeking a 20 percent reduction for all industrial waste.

¶22. RIP generated in Portugal is typically shipped abroad for disposal. In 2000 co-incineration in cement kilns was first proposed for disposal of RIP, and initial test results were favorable enough for an environmental license to be granted to cement manufacturer Cimpor to begin co-incineration in January 2008. However, a class action suit filed by a citizens group resulted in an injunction which blocked the process until December 2009, when the courts said the project could go forward. Legal maneuvering continues, and on January 4, 2010 a CDS-PP (Democratic and Social Centre - People's Party) legislator from Coimbra, near the projected co-incineration site, said he will introduce a bill in parliament to block the process.

¶23. Legislation passed in 2006 established strict guidelines and responsibilities for the disposal of "special" waste categories, including packaging, electrical components, batteries, tires, oils, and vehicles. The legislation includes requirements for recovery and recycling, use of more eco-friendly designs to minimize hazardous waste, and producer/importer responsibility in downstream recycling and reuse. The guidelines have been very effective; recycling increased by 26 percent from 2006 to 2007, and performance targets for most categories have been met.

NATURE AND BIODIVERSITY

¶24. Portugal has adopted a National Strategy for the Conservation of Nature and Biodiversity. In 2007 approximately 21 percent of the land in continental Portugal was under some protection status.

¶25. Identification and preparation of lists of species protected at the national and international level are key steps for the preservation of species diversity. In 2005 the

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Portuguese Institute for Nature Conservation and Biodiversity (ICNB) concluded a review of endangered species of flora and fauna and their habitats, which revealed that Portugal now has 19 regionally extinct species including sturgeon, the grizzly bear and 17 species of birds. The main threats to endangered species in Portugal are the destruction, degradation and fragmentation of natural habitats resulting from human activities and the introduction of non-native species.

¶26. In 2005 the forest area of mainland Portugal was approximately 3.4 million hectares, or roughly 38 percent of the total territory, mostly consisting of pine, oak, and eucalyptus trees. There are oak reforestation efforts underway, as oak ecosystems are rich in biodiversity and, because they thrive in more arid areas, play an important role in combating desertification.

¶27. Forest fires are major threats to Portugal's forests. Increasing fragmentation of forest ownership and the growing abandonment of many agricultural areas complicate forest management and the prevention of fires. In 2006 the National Forest Defense Against Fire plan was adopted, including the definition of a strategy for active management of the forest and the progressive reduction of forest fires. Since the plan was adopted firefighting capabilities have increased, but they have not yet been tested in heavy fire seasons (reftel).

¶28. The pinewood nematode (PWN) is a significant threat to Portugal's pine forests. Portugal has been working to control and eradicate the PWN since it was first detected in the pine forests of Setubal (central Portugal) in 1999. The PWN is classified as a quarantine organism by the European Community, and its presence forced Portugal to begin taking costly measures to prevent its spread throughout Europe. Because the maritime pine is the species covering the greatest area of mainland Portugal, the PWN created a severe challenge for the GOP and the Portuguese forestry industry, which led to creation of the National Eradication Program of the Pinewood Nematode (PROLUNP) in 1999. Despite significant efforts to prevent the spread of the PWN, since 1999 it has been found in broader areas of the country, and will continue to threaten Portugal's pine resources for years to come.

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